

Memorandum



TO: Honorable Mayor and City Council **FROM:** Del D. Borgsdorf

SUBJECT: City Council Study Session on **DATE:** January 12, 2000
Follow-Up to Investing in Results

FOR INFORMATION ONLY

BACKGROUND

At a Committee of the Whole held on December 15 and 16, 1999, the City Council provided feedback on the City's core services as called for at Milestone 1 of *Investing in Results*. At that meeting, the City Council focused on the core services in the departments as the building blocks for City-level services that the community and our customers expect. The City Council expressed a desire to schedule a follow-up study session to further discuss the framework for citywide services and the goals and priorities for service delivery. The study session is scheduled for January 20, 2000 at the Mexican Heritage Plaza.

This staff report summarizes the themes of the City Council's feedback from the December 15th and 16th Committee of the Whole and the City staff's follow-up to the feedback. The report also presents a framework for discussion of the City Council's goals and priorities for city service areas at the January 20th study session.

ANALYSIS

FEEDBACK AND FOLLOW-UP ON MILESTONE 1 DISCUSSION

At the December 15th and 16th Committee of the Whole (C.O.W.), the City Council provided feedback on the Investing in Results (IiR) effort, in general, and on the departments' core services, in particular. While the Council provided many specific comments for staff's consideration, the Council's observations related in general to four primary themes. These four themes provide guidance for City staff as the IiR effort continues. The themes and staff follow-up to them include the following:

Theme 1: Setting strategic direction and making investment decisions that drive service delivery at the core service level and below.

During the discussion of core services at the C.O.W., the Mayor and City Council observed rightly that the services the community receives cross organizational boundaries. The Council further observed that setting strategic direction for service delivery must occur at a higher level than departmental core services and that it is their role to set the direction and goals at that higher level. The January 20th study session provides the initial forum for the discussion of strategic direction and policy priorities. Further information regarding the framework for this discussion is provided in the next section of this staff report.

Theme 2: Ensuring that City services are delivered from a customer perspective regardless of organizational structure.

As indicated in Theme 1, the Mayor and City Council observed that the services the community or a particular customer receives cross departmental boundaries. The Council noted that customers do not distinguish between the roles of individual departments when seeking a particular service. The Council's comments reinforce the direction Investing in Results is taking to focus on service delivery from the customer perspective rather than from the organizational perspective.

The "City Service Areas" discussed in greater detail in the next section of the staff report represent city-level services from the customer perspective. How customers define success in services at the city level will drive service delivery at the core service level. Departments providing core services that contribute to these city-level services will align their services to achieve city-level results.

Alignment in service delivery will occur across lower levels of the organization, as well. Staff has identified and will follow up on opportunities for alignment in processes, such as the contract administration and agenda processes, and in services, such as capital projects development and maintenance, and workforce health and safety services. The IiR effort is designed to ensure that employees at all levels of the organization focus on services from the customer perspective.

Theme 3: Refining core services to achieve clarity and consistency.

At the C.O.W., the City Council offered specific comments about departmental core services. Those comments fell into the two general categories of clarity and

consistency. With regard to clarity, the Council addressed the use of jargon and lack of specificity in core service titles. In the category of consistency, the Council questioned the varying levels of services identified as core and the inclusion of services that refer to how a service is delivered. Staff will apply the guidelines of clarity and consistency in refining departmental core services.

Theme 4: Continuing the commitment to employee involvement.

Throughout the C.O.W. discussion, staff emphasized the guiding principle of employee involvement and partnership that has been incorporated in Investing in Results. The Council reiterated its support for this principle and called on staff to continue the commitment to the principle. As Investing in Results proceeds, staff will continue to incorporate extensive opportunities for two-way communication and meaningful participation for all employees. Some of the methods for communication and participation will include ongoing Benefits and Concerns forums (i.e., meetings with the QUEST Labor Liaison and front-line employees), ongoing meetings with the City Labor Alliance, training throughout departments in developing and using performance measures, and surveys to track employee perceptions about their opportunities for involvement.

As a general follow-up to the C.O.W., a glossary of key terms used in Investing in Results is included as part of this staff report.

CITY SERVICE AREAS AND POLICY PRIORITIES

City Service Areas

Milestone 1 presented an inventory of the City's core services by departments. This was a necessary first step to engage employees throughout departments in identifying the key lines of business the departments provide and the ways that services at all levels within the departments contribute to the core services. The departments and the Council, in the departmental and C.O.W. discussions, respectively, easily recognized that the ultimate services that customers receive often cross departmental boundaries. As noted above, customers often do not know or care which department or organizational unit provides the service they are seeking. Rather, the customer perspective is usually totally void of attention to organizational structure.

Investing in Results is designed to ensure that employees at all levels of the organization focus on the needs of customers when delivering services. Within

departments, the core services represent a workable framework for managing the delivery of customer-focused services from the front line to senior departmental management. At the City Council, Council Appointee and Senior Staff levels, however, the customer perspective transcends departmental boundaries. A higher level of outcomes must drive strategic planning, policy setting and investment discussions at the City level. This higher level of service is referred to as *City Service Areas*. Just as the core services represent the departments' key lines of business, the City Service Areas represent the City's key lines of business.

Attachment A illustrates the City's alignment model showing that the departmental core services contribute to the City Service Areas. Having a community-wide perspective and responsibility, the Mayor and City Council focus on providing direction regarding the desired outcomes in the City Service Areas represented to the left of the dotted line. In managing the delivery of departmental core services to the right of the dotted line, the departments focus on managing their core services to achieve the desired outcomes in the City Service Areas. The outcomes in the City Service Areas are then measured and reported to the community to indicate progress.

Attachment B presents a preliminary inventory of City Service Areas. Staff developed the inventory by first considering the 10 to 20 broad service areas that we believe San Jose's stakeholders expect the City to deliver and influence. The inventory was then considered within the context of the departmental core services to ensure that the City Service Areas reflect the broad array of services the City provides. The City Service Areas inventory reflects the services the City provides, rather than how we provide them, why we provide them or the goals we're trying to achieve. As discussed below, we are seeking input from the City Council on the outcomes and policy priorities related to the City Service Areas at the January 20th study session.

While the preliminary inventory provides a workable framework for the discussion at the study session, it is expected that the City Service Areas will be refined based on Council and community feedback and on further staff analysis.

Policy Priorities

As noted above, the Mayor and City Council observed at the C.O.W. that setting strategic direction for service delivery must occur at a higher level than departmental core services and that it is their role to set the direction and goals at

that higher level. City Service Areas provide the context for setting this strategic direction and identifying policy priorities.

Council discussion of desired outcomes and policy priorities in City Service Areas is necessary to set the strategic direction and drive investment decisions for the delivery of City core services. Based on the definition of success and priorities for City Service Areas, City staff can then direct their energy and resources to best achieve those goals.

It is expected that the study session will provide a forum for discussing Council policy priorities and setting strategic direction for City Service Areas. To help frame the discussion on strategic direction in City Service Areas, the Mayor and City Council will consider the following questions at the study session:

- What is your vision for the City Service Areas?
- What does success in the City Service Areas look like?
- What does the community need and expect in the City Service Areas?
- What would you like to accomplish for the community in City Service Areas?

NEXT STEPS

Investing in Results remains a work in progress. Incorporating Council feedback, staff will refine the inventory of City Service Areas and seek feedback from the community and City customers. Based on Council's comments about desired outcomes and policy priorities for the City Service Areas, staff will develop performance measures to bring back to the Council in Spring, 2000 at Milestone 2 of Investing in Results.

COORDINATION

The preparation of this report has been coordinated with all departments.

Del D. Borgsdorf
City Manager

Attachments